

Commodity Shelf Newsletter

April 2010

Staff Update

After 38 years of service with DESE – School Food Services, Gary Karr retired on March 1, 2010. Gary requested to not have a big commotion regarding his retirement and we wanted to honor his request. Thanks Gary for your years of service!

Procurement

Each year during this time DESE – SFS receives many questions regarding the proper procurement. Local Education Agencies (LEAs) should follow when procuring the goods and services necessary for the upcoming school year. Below are some general Questions and Answers (Q & As) to remember when procuring goods and services for your Child Nutrition Program. The following Q & As are by no means all inclusive:

Q1. Do I have to follow procurement regulations?

A1. If you plan to purchase services, supplies or property which exceeds the small purchase threshold then you must formally procure your planned purchase, more commonly known as “bidding”.

Q2. What is the small purchase threshold?

A2. You will have to confirm with your district/school to determine your specific small purchase threshold because you must follow the strictest guidelines. If your district/school does not have an established small purchase threshold, then public schools must follow the Missouri threshold for small purchases which is \$3,000 or non-public’s must follow the Federal small purchase threshold of \$100,000.

Q3. What if my purchase is below the small purchase threshold?

A3. Regulation states: “If small purchase procedures are used (informal procurement), price or rate quotations shall be obtained from an adequate number of qualified sources.” (7 CFR Part 3016.36)

Q4: Can an LEA purchase directly from a Buying Organization or Group? (Many LEAs have contacted DESE – SFS about NCT, which would fall under this category)

NCT??

A4: LEAs are not prohibited from purchasing from a buying organization or group, as long as they comply with the government-wide procurement rules at 7 CFR 3016 and 7 CFR 3019. **However, an LEA cannot purchase directly from a buying organization without considering other sources.** Depending on whether the procurement is informal or formal, the appropriate competition must take place to ensure that the LEA is obtaining the lowest responsive bid or offer. Joining or procuring directly from a buying service without opening up competition to other like sources does not ensure that the lowest responsive bid or offer has been obtained. The prices of a buying group or organization could be factored in and assessed against other bidders or offerors. (USDA School Program Policy Memo [SP 08-2009, Q/A #13](#))

If you have any questions about procurement there is additional information on the [DESE – SFS Website](#) under the tab [USDA Guidance Policies](#) or you can contact Matthew Essner, 573-522-1974.

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Fresh Fruit and Vegetable Program (FFVP)

FFVP informational E-mails for SY 2010 – 2011 were sent to Authorized Representatives of elementary schools with Free and Reduced Percentages greater than 50% during the first week of March. The FFVP allows LEAs who receive funding an opportunity to offer fresh fruits and vegetables to elementary students during the school day outside of the breakfast and lunch programs. FFVP offers student's **FREE** produce administered however each building decides best suits both students and faculty/staff. LEAs receive reimbursement by completing a monthly claim detailing the *actual* costs of produce, labor, supplies and any administrative costs.

FFVP is awarded annually via an application submitted to DESE-SFS. FFVP funds are awarded to LEAs who submit correct/completed forms which have the highest percent of students who qualify for free and reduced price meals until the funds for Missouri are depleted. LEAs will receive about \$50 per enrolled student to administer the FFVP.

If you have questions about FFVP or did not receive the informational letter, please contact Matthew Essner 573-522-1974 or matthew.essner@dese.mo.gov.

NO Summer Workshops

DESE – SFS will not be offering LEAs summer workshops this summer due to a lack of staff to host the event. Alternative options are being discussed such as webinars, PowerPoint presentations on the DESE – SFS Website, etc. Continue to check future Commodity Shelf Newsletters for any updates.

Farm to School (F2S)

Multiple requests for F2S information have been received by DESE – SFS. Here are a few resources LEAs can check out for more information:

1. <http://www.farmtoschool.org> this Website offers lots of information regarding F2S activities and offers event calendars, news articles and publications.
2. <http://farmtocafeteriaconference.org/5> the 5th national F2S conference will be held in Detroit, MI on May 17-19, 2010. Information and registration details are available.



3. <http://extension.missouri.edu/healthylife> is the University of Missouri extension Healthy Life Initiative's Website. Information about [F2S](#) can be found on the Resources tab of the Website.

Land O Lakes, JOY Foods and Don Lee

Additional REBATE items will be available for SY 10-11 which have not been offered in the past. LEAs will need to begin to talk with their commercial distributors to determine if the distributor will be or is currently carrying the new items which will have rebates available through DESE – SFS. Distributors will want to know approximate usage for items to help them determine purchasing patterns for SY 10-11. A [list of items anticipated for SY 10-11](#) is posted on the DESE – SFS Commodities Website under the [Rebate Forms tab](#). Actual Rebate Forms will be available after July 1, 2010.

Land O Lakes was added by DESE – SFS to fill the void of Schreiber exiting commodity processing for SY 10-11. The logistics of the Donated Food Program in Missouri and Land O Lakes did not mesh to offer the products via the Processing Packet; however, an agreement was made to offer rebates to LEAs for SY 10-11. Land O Lakes offers sliced cheese, shredded cheese, string cheese, cheese portions, cheese cups, cheese pouches and mac & cheese. After all of the Processing Packets were totaled, DESE – SFS was able to send 5 trucks of cheese to Land O Lakes.

J.O.Y. Foods will offer a new pizza line which features a Café Pizza by Papa John's and Amazio's pizza. **Don Lee** will offer a reduced fat, heat and serve, grilled cheese and spicy grilled cheese sandwich. One (1) truck of cheese will be sent to both J.O.Y Foods and Don Lee.

The lb balance of cheese for each of the above processors will be available for all LEAs to submit rebates. When the lb balance is depleted at each processor, no rebates will be available for the individual processor's items until the next school year. Rebates are a great way for LEAs to utilize entitlement dollars, while purchasing the items needed through the commercial market. Take advantage early and often next School Year!

Preparation is the key to success!

Open Order Notes

Some questions came up regarding the Open Order during the Commodity Expos. Here are some Q & As to hopefully help resolve some of the confusions:



Q1. What do you mean by first come, first serve?

A1. For Open Order purposes, DESE – SFS will accept all orders submitted by the 15th of the month. Once all of the orders have been received on the 15th, adjustments will begin to be made based on quantities submitted by the 15th. For Open Orders, first come, first serve does not mean that you have a better chance of receiving an item if your order is submitted earlier in the month.

Q2. How come I didn't receive the full amount I ordered of 'XYZ' commodity, but then it was available again the next month?



A2. In order to provide fresh products DESE – SFS will order items in for delivery during multiple months (rather than ordering them in all at once and paying storage). Therefore, some items may have limited quantities each month. Example, if DESE – SFS orders 2,000 cases of flour for month one and receives orders from all LEAs totaling 4,000 cases of flour, LEAs will receive 50% of the original order submitted for month one. The next month DESE – SFS starts from scratch and may receive an additional 2,000 cases from USDA. The second month orders may total 3,000 cases, so LEAs the second month will receive 66% of their original second month's order. DESE – SFS decided to offer the items each month and have LEAs order each month rather than backordering any quantities that are not filled during the first month.

Q3. Some of the items I ordered were on the [Prorated Quantities and Open Order Adjustments](#) file posted on the DESE – SFS Website, but what about the rest of the items I ordered?

A3. If DESE – SFS has sufficient quantities of a commodity and can fill all orders, then the commodity will not show up on the Prorated Quantities and Open Order Adjustments file (which is updated each month after Open Orders are compiled). If you don't see your item on the file, anticipate receiving 100% of your submitted order.

LEAs storing Donated Food in a Contracted Warehouse

Regulation Part 250, "General Regulations and Policies – Food Distribution," details how the USDA will conduct all of the Food Distribution Programs. Subpart B, Section 14 (250.14) explains the regulation of warehousing, storage and distribution of USDA Donated Foods and can be found on the [DESE – SFS Website](#). Click the [Commodities Tab](#) and the information is located under the heading "[Code of Federal Regulations](#)."

250.14 requires all LEAs storing Donated Foods with a contracted warehouse to perform annual reviews on the facilities where the Donated Foods are stored. Review forms are located in the same location as the regulation described above. There are two review forms posted, but only one form needs to be completed (you can decide which one to use). Documentation must be kept on file at the local level to reflect compliance with 250.14 but does not need to be submitted to DESE – SFS. However; if corrective actions must be taken as a result of the review, then documentation must be forwarded to DESE – SFS.



The portion of Regulation 250.14 posted on the DESE – SFS Website has important information highlighted for easier reading and understanding. Also included in the regulation are requirements about: sanitation, proper storage, obtaining appropriate inspections, identifying Donated Foods, contract requirements, physical inventory, and more. If your LEA stores **ANY** USDA Donated Foods in a contracted warehouse, please read 250.14 and contact the DESE – SFS office with any questions, 573-522-1974.

www.Recalls.gov

USDA – Food and Nutrition Services (FNS) has requested DESE – SFS to notify LEAs of the Department of Health and Human Services www.recalls.gov Website. www.recalls.gov offers anyone who signs up to receive E-mail notifications of all food recalls for **FREE**. Notifications will be sent for all U.S. Government

FREE recalls for commercial products LEAs may purchase from commercial distributors. DESE – SFS will continue to notify LEAs in the unfortunate event of a recall on USDA Donated Foods distributed for use in the National School Lunch Program whether you sign up for www.recalls.gov or not.

**FREE
UPDATES**

Processing Packet Update

All processing packets have been compiled and adjusted by DESE – SFS. Orders were sent to the respective processors/brokers the week of March 23-26, 2010. Processors/brokers will need a few weeks to determine actual case amounts of the items ordered by LEAs. For items ordered which offer the LEA the option of determining the delivery schedule, notifications from the processors/brokers have not been sent out but will be sent out in the near future.

Bakery Mix – Lowfat

USDA changed the purchase of Bakery Mix from truckloads of 1,400 cases to truckloads of 1,296 which meant they had to change the commodity code. DESE – SFS has shipped A368 for many years and recently depleted our inventory of A368 and will now be shipping A364. The April Open Order still listed A368 as the code, but the value of \$25.52 is the value LEAs should use for both A368 and A364.



Bakery Mix was the commodity of the month way back in December, and two wonderful recipes were submitted. Brenda Scheetz from the Waynesville High School submitted a [Chicken Pot Pie](#) recipe noting that “the students love being treated to home-style food.” Shirley Keller and the gang at Logan Rogersville Upper Elementary submitted an [Apple Raisin Cobbler](#) that tastes good and was created by putting together ingredients that were starting to pile up (don’t we all know the feeling☺).

Go to the [DESE – SFS Commodities Website](#) under the [Recipe of the Month](#) tab for the recipes and NutriKids file to add these exciting items to an upcoming menu.

Quotes for the Month

“Learn all you can from the mistakes of others. You won’t have time to make them all yourself.” – Alfred Sheinwold





“The one thing all famous authors, world class athletes, business tycoons, singers, actors, and celebrated achievers in any field have in common is that they all began their journeys when they were none of these things. Yet still, they began their journeys.” – Mike Dooley

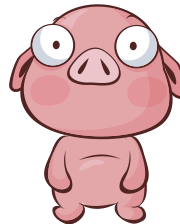


“Most of the successful people I’ve known are the ones who do more listening than talking.” – Bernard M. Baruch

Bonus, Bonus, Bonus!!

There have been multiple **BONUS** purchases offered by USDA since the last newsletter. Here is a recap:

1. [A293](#) – Dried Cherries, planned to be offered on the August Open Order for September delivery, 1,848 cases. 
2. [A307](#) – Dried Blueberries, 8 – 2 lb bags, planned to be offered on the July Open Order for August delivery, 1,848 cases.
3. [A367](#) – Frozen Blueberries, 30 lb carton, planned to be offered on the July and August Open Order for August and September delivery, 2,640 cases and 1,320 cases respectively. 
4. [A308](#) – Frozen Blueberries, 12 – 2.5 lb packages, planned to be offered on the September Open Order for October delivery, 1,320 cases.
5. [A408](#) – Sliced Peaches, canned, planned to be offered on the July Open Order for August delivery, 1,824 cases. 
6. [A470](#) – Mixed Fruit, canned, planned to be offered on the July Open Order for August delivery, 1,824 cases.
7. [A433](#) – Sliced Pears, canned, planned to be offered on the July Open Order for August delivery, 1,824 cases. 
8. [A720](#) – Pork Sausage Crumbles, as noted in the December 2009 Newsletter, planned to be offered on the August and September Open Order for September and October delivery, 4,000 cases and 3,000 cases respectively.



All delivery dates and quantities are subject to change. Quantities reflect the total amount the State of Missouri will receive to offer all participating LEAs.

9. [B114](#) – Non-Fat Dry Milk for processing, additional lbs have been sent by USDA for Missouri to United Commodity Group (UCG) to continue to offer string cheese and possibly other products. B114 lbs were also sent to Tasty Brands (TB) to offer additional cheese items. UCG and TB **BONUS** cheese items will be available to order via Monthly Order forms for SY 10-11 beginning in June for August delivery.

Prorated Commodities for School Year 2009-2010

(The below list are the Prorated Commodities DESE, SFS anticipates receiving. *All quantities, delivery periods, and values are subject to change.*)

Prorated Commodities are USDA Donated Foods (DF), which are purchased by DESE – SFS and then equally distributed to all LEAs participating in the DF program based on their Average Daily Participation (ADP) in the National School Lunch Program. These commodities are intended to be used in the approved Child Nutrition Programs sponsored by USDA. LEAs may **REFUSE** any Prorated Commodity item they wish by having the **Authorized Representative contact DESE – SFS in writing at least six (6) weeks prior to the beginning Estimated Delivery Period**. Refusals can be sent via E-Mail to webreplyascfocom@dese.mo.gov, by Fax to 573-526-3897 or by letter to PO Box 480, Jefferson City, MO 65102-0480.

Commodity Code	Description	Case per ADP*	Case Size	Estimated Delivery Period	Estimated per Case VALUE**
Fruits and Vegetables					
A174	Potatoes, Wedges, IQF	44	6 – 5 lb bags	COMPLETE	\$ 14.25
A417	Strawberries, FRZN, Diced, 4.5 oz IND cups	52	96 – 4.5 oz cups	COMPLETE	\$ 30.76
A130	Corn, FRZN, Whole Kernel	44	30 lb case	COMPLETE	\$ 12.26
A416	Peaches, FRZN, Diced, 4.4 oz IND cups	52	96 – 4.4 oz cups	COMPLETE	\$ 23.04
A433	Pears, CND, Sliced, Bartlett	64	6 – # 10 cans	COMPLETE	\$ 22.84
A243	Spaghetti Sauce, CND, Meatless	62	6 – # 10 cans	COMPLETE	\$ 12.71
A346	Apple Slices, FRZN, Unsweetened	59	30 lb case	COMPLETE	\$ 9.68
A091 ***	Beans, Vegetarian, CND,	68	6 – # 10 cans	COMPLETE	\$ 13.48
A431	Pears, CND, Halves	64	6 – # 10 cans	COMPLETE	\$ 23.40
A204	Potatoes, Rounds, FRZN	44	6 – 5 lb bags	COMPLETE	\$ 12.49
A061 ***	Beans, Green, CND	64	6 – # 10 cans	COMPLETE	\$ 16.52
A350	Applesauce, CND, Unsweetened	64	6 – # 10 cans	COMPLETE	\$ 17.08
A346	Apple Slices, FRZN, Unsweetened	83	30 lb case	COMPLETE	\$ 9.68
A942	Beans, Pinto, DRY, Whole	46	25 lb bag	COMPLETE	\$ 9.48
A409	Peaches, CND, Clingstone, Diced	64	6 – # 10 cans	COMPLETE	\$ 17.54
A434	Pears, CND, Diced, Bartlett	64	6 – # 10 cans	COMPLETE	\$ 22.19
A085 ***	Beans, Refried, CND	68	6 – # 10 cans	COMPLETE	\$ 21.79
A210	Potatoes, FRZN, Oven Fry, Crinkle	44	6 – 5 lb bags	COMPLETE	\$ 17.17
A299	Orange Juice, FRZN, 4 oz IND cartons	38	70 – 4 fl oz cartons	Mar 1, 10 – Apr 15, 10	\$ 7.48
Meat/Meat Alternates					
B065	Cheese, Sliced American, Yellow, Processed	37	6 – 5 lb loaves	COMPLETE	\$ 34.52
A515	Chicken, Cut-Up, FRZN, 8 pc, Raw	20 ****	40 lb case	COMPLETE	\$ 26.50
A608	Beef, Raw, FRZN, Fine Ground, 85/15	84 ****	4 – 10 lb packages	COMPLETE	\$ 59.54
A608	Beef, Raw, FRZN, Fine Ground, 85/15	44 ****	4 – 10 lb packages	COMPLETE	\$ 60.23
A608	Beef, Raw, FRZN, Fine Ground, 85/15	24 ****	4 – 10 lb packages	COMPLETE	\$ 61.97
A515	Chicken, Cut-Up, FRZN, 8 pc, Raw	20 ****	40 lb case	COMPLETE	\$ 26.50
B065	Cheese, Sliced American, Yellow, Processed	37	6 – 5 lb loaves	Mar 1, 10 – Apr 15, 10	\$ 49.57
A608	Beef, Raw, FRZN, Fine Ground, 85/15	MAKE UP*****	4 – 10 lb packages	Mar 15, 10 – Apr 30, 10	\$ 59.54

* Case per ADP means each LEA will receive approximately one (1) case of product for that number of Average Daily Participants. Each LEA will receive **AT LEAST** one (1) case of the product. This figure is only an ESTIMATE!

- Example: If LEA Jane Doe's ADP = 100 and A299 = 38 Case/ADP, then they could estimate to receive 2 cases of A299.
(100 ÷ 38 = 2.63. Round down for estimates).

** Estimated per Case VALUE is the value figured for each case based on the estimated cost per requested truck [determined by the USDA's Electronic Commodity Ordering System (ECOS)] divided by the number of cases on each truck.

- Example: A truck of A608 is estimated by ECOS to cost \$59,540 and contain 1,000 cases; therefore the Estimated VALUE is \$59,540 ÷ 1,000 = \$59.54.

*** These commodity **BEANS** can be credited for a Vegetable **or** a Meat/Meat Alternate in Food Based Menu Planning, but cannot be credited for BOTH on the same menu.

**** Beef and Chicken Case/ADP's are determined by the response each LEA chose on the Processing Packet for School Year 2009 – 2010. If your LEA chose to process any percent of either commodity, then you must adjust the Case/ADP accordingly. If your LEA chose to process 100% of the commodity, then ZERO (0) cases will be prorated to your LEA.

- Example: If you chose to process 50% of your Chicken and your ADP is 100, then you would determine your quantity of A515 cases and multiply by 0.50 to estimate that you will receive 2 cases of A515.

(100 ÷ 20 = 5 cases), (5 cases x 0.50 = 2.5 cases) Round down for estimates.

***** MAKE UP deliveries are for LEA's who chose to defer their pounds of PORK on the Processing Packet for School Year 2009 – 2010 and receive GROUND BEEF instead.

IQF = Individually Quick Frozen

FRZN = Frozen

IND = Individual

CND = Canned